



# MINUTES

## REVENUE AND TAXATION INTERIM COMMITTEE

Wednesday, May 15, 2019 | 1:15 p.m. | 445 State Capitol

### Members Present:

Sen. Lincoln Fillmore, Chair  
Rep. Robert M. Spendlove, Chair  
Sen. Curtis S. Bramble  
Sen. Gene Davis  
Sen. Daniel Hemmert  
Sen. Deidre M. Henderson  
Rep. Stewart E. Barlow  
Rep. Joel K. Briscoe  
Rep. Brad M. Daw  
Rep. Steve Eliason  
Rep. Francis D. Gibson  
Rep. Bradley G. Last

Rep. Jefferson Moss  
Rep. Val L. Peterson  
Rep. Tim Quinn  
Rep. Douglas V. Sagers  
Rep. Rex P. Shipp  
Rep. Andrew Stoddard  
Rep. Norman K. Thurston

### Staff Present:

Mr. Ryan M. Hunter, Policy Analyst  
Mr. Alex R. Janak, Policy Analyst  
Ms. Christine R. Gilbert, Associate General Counsel  
Mr. Brent M. Gage, Administrative Assistant

Note: A copy of related materials and an audio recording of the meeting can be found at [www.le.utah.gov](http://www.le.utah.gov).

## 1 . Committee Business

Chair Spendlove called the meeting to order at 1:23 p.m.

Members of the committee introduced themselves.

**MOTION:** Rep. Sagers moved to approve the minutes of the November 14, 2018, meeting. The motion passed with a vote of 16 - 0 - 3.

### Yeas-16

Rep. S. Barlow  
Sen. C. Bramble  
Rep. J. Briscoe  
Sen. G. Davis  
Rep. B. Daw  
Rep. S. Eliason  
Sen. L. Fillmore  
Rep. F. Gibson  
Rep. B. Last  
Rep. J. Moss  
Rep. T. Quinn  
Rep. D. Sagers  
Rep. R. Shipp  
Rep. R. Spendlove  
Rep. A. Stoddard  
Rep. N. Thurston

### Nays-0

### Absent-3

Sen. D. Hemmert  
Sen. D. Henderson  
Rep. V. Peterson

## 2 . Committee Study List

### [2 - Interim Study Items List](#)

Sen. Fillmore presented the list of Revenue and Taxation Interim Committee Study Items.

Rebecca Rockwell, Commissioner, Utah State Tax Commission, and John L. Valentine, Chair, Utah State Tax Commission, presented issues in the long-term planning for the committee.

## [2 - Long Term Planning](#)

**MOTION:** Rep. Thurston moved to add the items raised by the tax commission to the list of interim study items and to adopt the list as amended. The motion passed with a vote of 17 - 0 - 2.

### Yeas-17

Rep. S. Barlow  
Sen. C. Bramble  
Rep. J. Briscoe  
Sen. G. Davis  
Rep. B. Daw  
Rep. S. Eliason  
Sen. L. Fillmore  
Rep. F. Gibson  
Rep. B. Last  
Rep. J. Moss  
Rep. V. Peterson  
Rep. T. Quinn  
Rep. D. Sagers  
Rep. R. Shipp  
Rep. R. Spendlove  
Rep. A. Stoddard  
Rep. N. Thurston

### Nays-0

### Absent-2

Sen. D. Hemmert  
Sen. D. Henderson

Committee members discussed certain interim study items.

Rep. Thurston's motion to add the items raised by the tax commission to the list of interim study items and to adopt the list as amended passed with a vote of 17 - 0 - 2.

### Yeas-17

Rep. S. Barlow  
Sen. C. Bramble  
Rep. J. Briscoe  
Sen. G. Davis  
Rep. B. Daw  
Rep. S. Eliason  
Sen. L. Fillmore  
Rep. F. Gibson  
Rep. B. Last  
Rep. J. Moss  
Rep. V. Peterson  
Rep. T. Quinn  
Rep. D. Sagers  
Rep. R. Shipp  
Rep. R. Spendlove  
Rep. A. Stoddard  
Rep. N. Thurston

### Nays-0

### Absent-2

Sen. D. Hemmert  
Sen. D. Henderson

**MOTION:** Rep. Thurston moved to open a committee bill file to address the items on the adopted interim study item list.

**SUBSTITUTE MOTION:** Sen. Bramble moved to authorize committee chairs to open bill files during the interim related to the adopted interim study items list. The substitute motion passed with a vote of 18 - 0 - 1.

Yeas-18Nays-0Absent-1

Rep. S. Barlow  
Sen. C. Bramble  
Rep. J. Briscoe  
Sen. G. Davis  
Rep. B. Daw  
Rep. S. Eliason  
Sen. L. Fillmore  
Rep. F. Gibson  
Sen. D. Hemmert  
Rep. B. Last  
Rep. J. Moss  
Rep. V. Peterson  
Rep. T. Quinn  
Rep. D. Sagers  
Rep. R. Shipp  
Rep. R. Spendlove  
Rep. A. Stoddard  
Rep. N. Thurston

Sen. D. Henderson

Rep. Briscoe raised a point of information, requesting that committee chairs notify members of the committee whenever they open committee bill files.

Sen. Bramble included Rep. Briscoe's request in his substitute motion.

Sen. Bramble's motion to authorize committee chairs to open bill files during the interim related to the adopted interim study items list passed with a vote of 18 - 0 - 1.

Yeas-18Nays-0Absent-1

Rep. S. Barlow  
Sen. C. Bramble  
Rep. J. Briscoe  
Sen. G. Davis  
Rep. B. Daw  
Rep. S. Eliason  
Sen. L. Fillmore  
Rep. F. Gibson  
Sen. D. Hemmert  
Rep. B. Last  
Rep. J. Moss  
Rep. V. Peterson  
Rep. T. Quinn  
Rep. D. Sagers  
Rep. R. Shipp  
Rep. R. Spendlove  
Rep. A. Stoddard  
Rep. N. Thurston

Sen. D. Henderson

### **3 . Tax Restructuring and Equalization Task Force**

Alex Janak and Ryan Hunter presented on the expected work of the Tax Restructuring and Equalization Task Force, as well as the role the committee will play in complementing the task force's work on tax reform.

#### [3 - Tax Reform Presentation](#)

Jonathon Ball, Legislative Fiscal Analyst, responded to a question from the committee regarding spending growth.

Alex Janak and Ryan Hunter continued their presentation.

John L. Valentine, Chair, Utah State Tax Commission, responded to a question regarding the removal of property tax as a state funding source.

Alex Janak and Ryan Hunter continued their presentation.

#### **4 . Business Tangible Personal Property**

Sen. Hemmert and Lincoln Shurtz, Director of External Relations, Utah Association of Counties, presented on the possibility of an expanded exemption of business tangible personal property.

##### [4 - Personal Property Tax in Utah](#)

Rusty Cannon, Vice President, Utah Taxpayers Association, spoke about the effect of the business tangible personal property tax on small businesses and revenue.

#### **5 . Sales Tax Compliance**

John L. Valentine and Scott Smith, Executive Director, Utah State Tax Commission, presented on current issues with compliance, as well as potential areas for improvement.

Gary Nielsen, business owner, spoke to the issue of sales tax compliance for services.

##### [5 - Lessons, Classes, Instruction Handout](#)

Howard A. Stephenson, President, Utah Taxpayers Association, spoke to the issue of sales tax compliance for sales tax on services.

#### **6 . Other Items/Adjourn**

**MOTION:** Sen. Bramble moved to adjourn. The motion passed with a vote of 13 - 0 - 6.

##### Yeas-13

Rep. S. Barlow  
Sen. C. Bramble  
Rep. J. Briscoe  
Rep. B. Daw  
Sen. D. Hemmert  
Sen. D. Henderson  
Rep. B. Last  
Rep. J. Moss  
Rep. T. Quinn  
Rep. D. Sagers  
Rep. R. Shipp  
Rep. R. Spendlove  
Rep. A. Stoddard

##### Nays-0

##### Absent-6

Sen. G. Davis  
Rep. S. Eliason  
Sen. L. Fillmore  
Rep. F. Gibson  
Rep. V. Peterson  
Rep. N. Thurston

Chair Spendlove adjourned the meeting at 3:25 p.m.